TABLE II November 1986 Percentage Change from same month last year.

CITY	CITY INDEX *	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV LINAGE	NEW CAR REGIS-TRATIONS	October NON AGRI-CULTURAL EMPLOYMENT #	WATER CONSUMED	RETAIL SALES †	October RETAIL SALES ‡
The State		18.9	16.7	15.5	14.5	4.6	3.3	5.5	3.4	-8.0
Alexandria	4.9	11.9	-71.8	25.4	N.A.	6.2	4.8	5.6	4.4	-16.1
Bristol	-1.2	N.A.	278.3	9.6	0.8	2.0	3.1	10.7	-10.7	-4.5
Cape Charles - Exmore	4.6	N.A.	262.5	9.4	N.A.	17.9	N.A.	30.8	-6.7	-5.9
Charlottesville	2.9	42.8	-48.3	13.9	N.A.	-7.6	6.0	6.6	2.0	-2.6
Danville	-3.5	N.A.	-22.8	7.3	10.4	-26.0	0.0	-4.2	N.A.	-8.6
Franklin	6.0	N.A.	150.5	18.4	4.2	N.A.	8.7	-4.1	-12.6	
Fredericksburg	4.5	0.2	-44.1	N.A.	4.1	-11.0	N.A.	39.2	-1.1	2.7
Harrisonburg	2.5	N.A.	7.1	N.A.	2.9	-2.8	N.A.	-5.8	5.9	5.2
Lynchburg	4.8	-8.9	73.2	17.4	N.A.	-3.8	1.4	-13.0	11.4	3.8
Newport News - Hampton	4.7	N.A.	150.4	6.0	11.7	11.8	2.5]	14.0	3.2	-13.8
Norfolk - Va. Beach - Portsmouth	4.8	78.9	19.8	14.5	7.9	14.7		10.4	1.0	-10.0
Petersburg	-1.6	-11.7	-66.7	N.A.	-35.2	26.5	1.2]	7.6	-1.6	-7.7
Richmond	3.0	8.9	97.1	10.2	5.0	12.7		1.9	3.6	-14.9
Roanoke	3.0	-12.1	43.2	12.5	15.3	-9.6	1.1	-4.2	4.7	-2.3
Staunton	2.1	3.8	-71.9	N.A.	13.0	-0.6	N.A.	N.A.	-8.4	0.3
Williamsburg	7.3	15.8	182.9	9.3	N.A.	2.3	N.A.	19.5	12.5	-17.5
Winchester	9.1	17.7	-60.0	11.2	13.8	2.6	N.A.	N.A.	N.A.	8.8

*Computation of City Index is based upon a weighted arithmetic mean of all business and economic components listed except Building Permits and Bank Debits, which are excluded because of their highly erratic nature.
#Virginia Employment Commission data which lags behind current reports.
†Preliminary data based on a survey sample.
‡Revised data based on sales tax information which lags behind current reports.
] Only total MSA data are available for these areas

N.A. — Not Available
0.0 — No Change

Among the state's eight metropolitan areas, the first quarter leaders in nonagricultural employment growth were Northern Virginia, up 9.4 percent year over year; Bristol, up 6.8 percent; and Hampton Roads, up 5.8 percent. Our City Index offers a different measure, dominated by retail trade growth and calculated for all seventeen urban areas covered in the Report. The first quarter growth leaders based on the City Index were the Lynchburg, Fredericksburg, and Roanoke areas.

During the second quarter Virginia's personal income growth slowed by a negligible amount to 7.6 percent (year over year). Payroll employment growth experienced a much more pronounced deceleration of 1.2 percentage points to a 3.6 percent rate. However, retail sales took off in May and June, with gains of 20.4 percent and 15.4 percent respectively. Building permits skyrocketed, with a May advance of 38.4 percent and a June rise of 142.1 percent. New car sales meanwhile became erratic month to month and grew at a slower pace for the quarter.

The same three metropolitan areas remained the leaders in payroll job growth, but all three experienced significantly slower growth. For Northern Virginia the second quarter rate was 7.2 percent; in Bristol, 4.3 percent; and for Hampton Roads, 3.7 percent. For the first half of 1986 compared to the same period in 1985, the state's performance was outstanding. Personal income had increased 7.6 percent, taxable retail sales 10.6 percent, building permits 33.4 percent and payroll jobs 4.2 percent. By our City Index, the three first half leaders were Winchester, Fredericksburg, and the Norfolk-Virginia Beach-Portsmouth areas.

In the third quarter Virginia experienced a slowdown in personal income growth, to 7.1 percent compared to the third quarter of 1985. The slower resident income growth and low gains in tourism produced lower increases in retail sales: in July, August, and September the growth rates were below ten percent. The growth pattern in building permits also reversed course. After a 21.1 percent rise in July, building permits fell in August and September compared to 1985 levels. However, new car registrations soared in August, up 38.4 percent, followed by a 19.5 percent rise in September, thanks to the low interest rate offers.

Nonagricultural employment growth remained steady at 3.6 percent in the third quarter. Among the eight metropolitan areas, Northern Virginia still was the job growth leader with a 5.3 percent year-over-year gain. However, that rate represented another significant drop from the 7.2 percent of the second quarter and 9.4 percent in the first quarter. On the other hand, the Charlottesville area began to accelerate, moving into second place with a 4.9 percent increase in payroll jobs. Bristol was third, with a steady 4.3 percent rise.

The most revealing development in the third quarter was the accelerating growth in the nonmetropolitan areas of the state. Payroll job growth in nonmetropolitan areas was 5.3 percent in the third quarter, versus only 3.0 percent for the eight metropolitan statistical areas combined. That shifting growth pattern also was reflected in general retail sales growth, with Fredericksburg, Harrisonburg, and Winchester consistently among the monthly leaders.

Virginia ended the third quarter with cummulative year-over-year gains of 7.5 percent in personal income, 9.4 percent in general retail sales (excluding automobiles), 14.0 percent in new car registrations, 23.8 percent in new building permits, and 4.0 percent in payroll jobs. A very strong year to date performance, even though only new car registrations had recorded rising growth in the third quarter.

For nonagricultural employment, only data through November are available as we go to press. For October and November combined, Virginia's payroll employ-

SELECTED BUSINESS AND ECONOMIC INDICATORS FOR 17 CITIES

TABLE I December 1986

Monthly Index Number Comparisons of Current Month to Same Month in Base Period (1977) - Base Period = 100

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES†	POSTAL RECEIPTS
The State		243.6	215.6	149.2	109.1	164.9	135.9	86.7	301.6	370.0
Alexandria	234.8	27.4	292.1	160.2	N.A.	160.4	179.9	91.6	350.6	N.A.
Bristol	185.9	N.A.	79.9	112.3	83.8	104.2	110.9	90.3	253.2	412.3
Cape Charles - Exmore	137.9	N.A.	296.5	134.1	N.A.	115.4	N.A.	N.A.	96.0	289.8
Charlottesville	227.3	99.4	421.9	139.5	N.A.	123.7	110.4	114.0	327.9	347.2
Danville	130.5	N.A.	101.4	117.0	137.8	82.7	99.0	83.6	N.A.	263.0
Franklin	181.6	N.A.	71.6	146.2	137.3	155.7	N.A.	96.0	192.9	338.5
Fredericksburg	317.4	222.8	227.2	N.A.	160.1	176.5	N.A.	73.3	276.5	982.4
Harrisonburg	199.0	N.A.	173.3	N.A.	145.4	100.5	N.A.	133.0	217.0	362.8
Lynchburg	218.6	349.0	168.1	137.6	N.A.	79.3	99.2	112.6	281.6	475.6
Newport News - Hampton	169.9	N.A.	311.2	120.8	100.4	92.4	136.2	110.5	266.2	N.A.
Norfolk - Portsmouth	231.5	60.4	343.7	160.7	83.3	119.3		81.8	423.5	N.A.
Petersburg	177.4	191.6	97.7	N.A.	26.1	82.8	123.7	96.4	257.7	317.2
Richmond	201.8	322.3	141.5	171.1	115.6	104.9		96.5	283.6	354.0
Roanoke	183.3	419.7	97.7	119.4	175.6	78.9	118.3	98.2	226.4	379.9
Staunton	185.2	107.6	330.2	N.A.	88.0	92.6	N.A.	N.A.	194.2	347.8
Williamsburg	213.2	N.A.	71.6	162.7	N.A.	153.4	N.A.	105.9	213.8	428.8
Winchester	162.9	492.8	N.A.	137.4	234.7	116.6	N.A.	N.A.	N.A.	N.A.

TABLE II December 1986

Percentage Change from same month last year.

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV LINAGE	NEW CAR REGIS-TRATIONS	November NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	November RETAIL SALES ‡
The State		20.0	15.5	8.4	-4.3	35.2	3.4	3.5	5.6	N.A.
Alexandria	9.9	33.9	137.0	11.6	N.A.	40.9	4.1	7.6	1.9	N.A.
Bristol	12.0	N.A.	-4.9	7.4	-3.7	46.0	3.4	-16.7	19.9	N.A.
Cape Charles - Exmore	11.6	N.A.	30.0	15.0	N.A.	54.3	N.A.	13.5	-4.4	N.A.
Charlottesville	14.8	28.0	60.4	3.5	N.A.	58.0	5.2	0.6	12.0	N.A.
Danville	7.5	N.A.	-11.0	11.7	-0.5	7.3	05.	8.6	N.A.	N.A.
Franklin	12.3	N.A.	10.3	1.2	-0.2	86.3	N.A.	1.8	-0.9	N.A.
Fredericksburg	27.6	42.5	215.6	N.A.	7.7	36.3	N.A.	21.4	33.3	N.A.
Harrisonburg	12.1	N.A.	-66.2	N.A.	3.2	42.7	N.A.	2.1	8.1	N.A.
Lynchburg	7.3	-12.0	332.7	11.9	N.A.	5.6	2.4	4.4	8.9	N.A.
Newport News - Hampton	3.5	N.A.	15.5	14.0	-1.2	12.1	3.2	0.7	-0.3	N.A.
Norfolk - Va. Beach - Portsmouth	9.0	9.6	19.8	12.4	-5.1	37.5		7.3	5.6	N.A.
Petersburg	6.5	-8.9	-57.9	N.A.	-37.2	48.3		1.9	10.4	N.A.
Richmond	5.9	30.5	-22.8	13.6	-12.3	28.3	1.6	-0.6	5.1	N.A.
Roanoke	0.0	-6.6	-2.3	-23.8	-6.5	4.1	1.3	-0.6	8.5	N.A.
Staunton	11.2	6.8	391.9	N.A.	-6.2	34.8	N.A.	N.A.	9.1	N.A.
Williamsburg	12.4	N.A.	-68.4	3.9	N.A.	18.3	N.A.	26.0	8.8	N.A.
Winchester	15.9	22.6	N.A.	7.5	11.4	28.8	N.A.	N.A.	N.A.	N.A.

TABLE III

Percentage Change January - December from same period last year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS PAPER ADV LINAGE	NEW CAR REGIS-TRATIONS	Jan.-Nov. NON AGRI-CULTURAL EMPLOYMENT #	WATER CONSUMED	RETAIL SALES †	Jan.-Nov. RETAIL SALES ‡
The State		22.6	14.7	11.8	4.1	14.4	3.9	5.8	4.0	N.A.
Alexandria	6.3	26.0	-50.3	13.9	N.A.	16.5	6.7	-1.1	2.7	N.A.
Bristol	2.7	N.A.	-34.3	6.9	1.5	18.8	4.7	6.4	-5.5	N.A.
Cape Charles - Exmore	4.5	N.A.	57.6	10.3	N.A.	26.9	N.A.	25.2	-11.8	
Charlottesville	6.7	N.A.	-12.8	7.8	N.A.	10.9	3.9	8.7	5.1	N.A.
Danville	2.7	N.A.	13.0	6.1	1.8	5.2	0.2	0.2	N.A.	N.A.
Franklin	14.2	N.A.	-9.7	8.6	3.4	77.6	N.A.	4.6	1.7	N.A.
Fredericksburg	12.7	15.1	-17.7	N.A.	6.2	18.0	N.A.	11.5	13.5	N.A.
Harrisonburg	6.4	N.A.	11.8	N.A.	1.4	15.4	N.A.	2.6	6.1	N.A.
Lynchburg	5.6	3.9	3.0	7.6	N.A.	2.5	2.2	1.1	8.6	N.A.
Newport News - Hampton	5.8	N.A.	53.2	8.9	3.3	9.7	3.8	4.5	5.2	N.A.
Norfolk - Va. Beach - Portsmouth	7.8	34.5	20.7	8.1	4.1	12.7		11.2	7.3	N.A.
Petersburg	5.2	38.1	80.0	N.A.	N.A.	17.2		3.7	2.8	N.A.
Richmond	4.6	27.1	7.8	7.1	-2.0	13.8	2.0	2.7	4.0	N.A.
Roanoke	4.5	-6.0	2.5	3.1	8.4	11.1	2.4	0.6	0.8	N.A.
Staunton	3.2	10.9	26.6	N.A.	7.4	16.1	N.A.	N.A.	-2.5	N.A.
Williamsburg	8.8	N.A.	28.7	6.1	N.A.	17.1	N.A.	7.7	7.2	N.A.
Winchester	15.8	6.8	N.A.	8.1	12.2	20.2	N.A.	N.A.	N.A.	N.A.

*Computation of City Index is based upon a weighted arithmetic mean of all business and economic components listed except Building Permits and Bank Debits, which are excluded because of their highly erratic nature.
#Virginia Employment Commission data which lags behind current reports.
†Preliminary data based on a survey sample.
‡Revised data based on sales tax information which lags behind current reports.
⊐ Only total MSA data are available for these areas

N.A. — Not Available
O.O. — No Change

ment was 3.4 percent above the 1985 level, a slight slowdown from the third quarter growth of 3.6 percent. Nonmetropolitan areas were again the leaders, with a 4.6 percent gain compared to only 3.0 percent in the eight metropolitan areas combined. Among the metropolitan areas, only Charlottesville was experiencing accelerating growth, rising to a 5.6 percent rate for October and November. The cummulative January through November increase in payroll jobs in 1986 was 3.9 percent, down a percentage point from the 1985 growth rate. This deceleration in employment growth paralleled the deceleration in personal income growth, from 8.4 percent for calendar year 1985 to 7.5 percent for the first three quarters of 1986.

Our retail sales sample, predominantly general merchandise retailers, reported steady but modest growth in sales per store during the fourth quarter: the October increase was 5.5 percent; November, 3.4 percent; and December, 5.6 percent. The January-December 1986 growth rate was 4.0 percent, down 2.2 percentage points from the 1985 gain of 6.2 percent. When the full year's data for total sales subject to Virginia's four percent sales tax are available, we expect they also will show a decline in the 1986 growth rate of one to two percentage points compared to 1985. Building permits statewide grew at a steady, relatively strong pace in the fourth quarter: 14.7 percent in October, 16.7 percent in November, and 15.5 percent in December. That brought the increase for all of 1986 to 14.7 percent, well above the 1985 growth of 8.8 percent. New car registrations grew very moderately in October and November before soaring 35.2 percent in December as people rushed to beat the 1987 tax changes. The total 1986 growth in new car registrations was 14.4 percent, surpassing the 1985 gain by 11.8 percent.

For the year, Virginia experienced slower growth in personal income, retail sales, and payroll jobs. Only new car registrations and building permits recorded higher growth rates than in 1985. Our November prediction, still unchanged, is both new car registrations and building permits will decline in 1987. Therefore we continue to expect further decleration in Virginia's overall growth in 1987, as described in the November issue. RLP

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